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Financing of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola

Final performance report of the United Nations Angola Verification Mission and the United Nations Observer Mission in Angola

Report of the Secretary-General*

Summary

The present report contains the final performance report of the United Nations Angola Verification Mission (UNAVEM) and the United Nations Observer Mission in Angola (MONUA).

The report contains information on income and expenditure, assets, outstanding liabilities and reserves and fund balances as at 30 June 2002, which are briefly summarized as follows:

Description	*Amount (Thousands of United States dollars)*
Cash assets	58 616
Less: liabilities	3 958
Net cash	**54 658**
Uncollected assessments and other receivables	60 434
Fund balance	**115 092**

The actions to be taken by the General Assembly are set out in section III of the report.

* The present report was delayed owing to internal consultations.

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I. Introduction

1. The United Nations Angola Verification Mission (UNAVEM) was established by the Security Council in its resolution 626 (1988) of 20 December 1988 for a period of 31 months, starting on 3 January 1989, to verify the redeployment northwards of Cuban troops and their phased and total withdrawal from the territory of Angola, in accordance with the timetable agreed between the two Governments.

2. The Security Council, in its resolution 696 (1991) of 30 May 1991, decided to entrust a new mandate to UNAVEM (henceforth UNAVEM II) to verify the arrangements agreed by the Angola parties for the monitoring of the ceasefire and for the monitoring of the Angolan police during the ceasefire period and to establish UNAVEM II for an initial period of 17 months. That mandate was subsequently expanded and adjusted in accordance with Council resolutions 747 (1992) of 24 March 1992, 804 (1993) of 29 January 1993, 811 (1993) of 12 March 1993 and 834 (1993) of 1 June 1993.

3. The Security Council, in its resolution 976 (1995) of 8 February 1995, subsequently authorized the establishment of UNAVEM III for an initial period of six months to assist the parties in restoring peace and achieving national reconciliation in Angola on the basis of the "Acordos de Paz", the Lusaka Protocol and relevant Council resolutions, the latest of which was resolution 1106 (1997) of 16 April 1997.

4. The Security Council, in its resolution 1118 (1997) of 30 June 1997, subsequently decided to establish, as of 1 July 1997, the United Nations Observer Mission in Angola (MONUA) with a political mandate comprising the promotion of political tolerance and national reconciliation, monitoring of the normalization of State administration throughout the country, promotion of human rights, verification of the neutrality of the Angolan National Police, monitoring and verification of the collection of weapons recovered from the civilian population and monitoring and verification of compliance with the ceasefire. The mandate of MONUA was extended by subsequent Council resolutions and expired on 26 February 1999.

Liquidation

5. The liquidation activities, including disposal of assets, were carried out during the period from March 1999 to April 2000. The report on the final disposition of assets of MONUA was contained in document A/56/900 of 4 April 2002. The General Assembly, in its decision 56/472 of 27 June 2002, took note of that report and approved the donation of assets, with a total inventory value of $235,800 and corresponding residual value of $81,700, to various United Nations agencies and non-governmental organizations, as detailed in annex IV to the report.

6. The General Assembly, in its resolutions 53/228 of 8 June 1999 and 54/17 B of 15 June 2000, appropriated the total amount of $15,049,440 gross ($14,305,540 net) for the liquidation of the Mission for the period from 30 June 1999 to 30 June 2000. Related expenditures amounted to $14,231,340 gross ($13,402,720 net) for the period. In its resolution 54/17 B the Assembly decided to appropriate an amount of $151,916 gross ($137,671 net) for the continued liquidation of the Observer Mission for the period from 1 July 2000 to 30 June 2001. Related expenditures amounted to $54,000 gross ($48,700 net) for the period.

II. Financial performance report

7. As shown in table 1 below, income to the United Nations Angola Verification Mission and the follow-on United Nations Observer Mission in Angola derived from assessed contributions totalled $1,267,792,000. The total assessed contributions were fully appropriated by the General Assembly for the operation of UNAVEM and subsequently MONUA.

8. Expenditure amounted to $1,190,901,000 and was partly offset by $49,421,000 of savings on or cancellation of prior period obligations, thereby resulting in net expenditure of $1,141,480,000. The unencumbered balance realized by the Missions amounted to $126,312,000, of which $53,481,000 were credits returned to Member States, resulting in a balance of appropriations of $72,831,000. Additional income realized of $64,202,000 comprised interest income ($33,737,000) and other/miscellaneous income ($30,465,000). In addition, prior period adjustments of $21,941,000 were charged against the fund balance.

Table 1

Income, expenditure and fund balance for the period from inception (3 January 1989) to 30 June 2002

(Thousands of United States dollars)

	Amount
Income	
Assessed contributions	1 267 792
Expenditure	
Expenditure	1 190 901
Savings on or cancellation of prior period obligations	(49 421)
Net expenditure	**1 141 480**
Unencumbered balance	126 312
Credits returned to Member States	(53 481)
Balance of appropriations	**72 831**
Interest income	33 737
Other/miscellaneous income	30 465
Prior period adjustments	(21 941)
Fund balance	**115 092**

9. Information on UNAVEM/MONUA assets, liabilities and fund balance as at 30 June 2002 is shown in table 2 below.

Table 2
Assets, liabilities and fund balance as at 30 June 2002
(Thousands of United States dollars)

	Amount
Assets	
Cash assets	58 616
Less: liabilities	3 958
Net cash available	**54 658**
Uncollected assessments and other receivables	60 434
Net assets	**115 092**
Fund balance	**115 092**

10. The fund balance of UNAVEM/MONUA as at 30 June 2002 amounted to $115,092,000, comprising $60,434,000 in uncollected assessed contributions and other receivables as well as net cash of $54,658,000.

11. Funds are needed in the amount of $12,458,000 to settle outstanding government claims for contingent-owned equipment, goods and services provided under letters of assist and death and disability claims, for which no obligations exist. As indicated in table 3 below, the settlement of all the outstanding claims, totalling $12,458,000, can be met from the unencumbered balance of appropriations of $72,831,000.

Table 3
Cash position
(Thousands of United States dollars)

	Amount
Cash assets	58 616
Cash requirements	
Amounts owed to Governments in accounts payable	1 754
Other amounts in accounts payable	854
Outstanding claims	12 458
Other liabilities	1 350
Subtotal	**16 416**
Net cash available	**42 200**

12. The cash balance of $58,616,000 will be reduced by the total liabilities of $16,416,000, resulting in net cash available of $42,200,000.

II. Actions to be taken by the General Assembly

13. **The Secretary-General recommends that:**

(a) An amount of $12,458,000 be retained from the balance of appropriations to meet the cost of outstanding government claims;

(b) In light of the overall financial situation of the Organization and the fact that as at 15 March assessed contributions to peacekeeping in the amount of $1.5 billion remain unpaid, the return of cash available for credit to Member States be suspended until the financial situation improves.